Achieving the Quadruple Aim
Focusing on Strategic Imperatives

Mr. Allen Middleton
Dr. Mike Dinneen

January 24, 2011

Readiness

Ensuring that the total military force is medically ready to deploy and that the medical force is ready to deliver health care anytime, anywhere in support of the full range of military operations, including humanitarian missions.

Experience of Care

Providing a care experience that is patient and family centered, compassionate, convenient, equitable, safe and always of the highest quality.

Population Health

Reducing the generators of ill health by encouraging healthy behaviors and decreasing the likelihood of illness through focused prevention and the development of increased resilience.

Per Capita Cost

Creating value by focusing on quality, eliminating waste, and reducing unwarranted variation; considering the total cost of care over time, not just the cost of an individual health

Our Shared Responsibilities

- Our Health Affairs / TMA Responsibilities
  - Aims / Imperatives - Consistent, understandable
  - Targets – Predictable; persist over time
- Your Responsibilities
  - Focus on Performance, Accountability
  - Disseminate Best Practices

What Value By When?

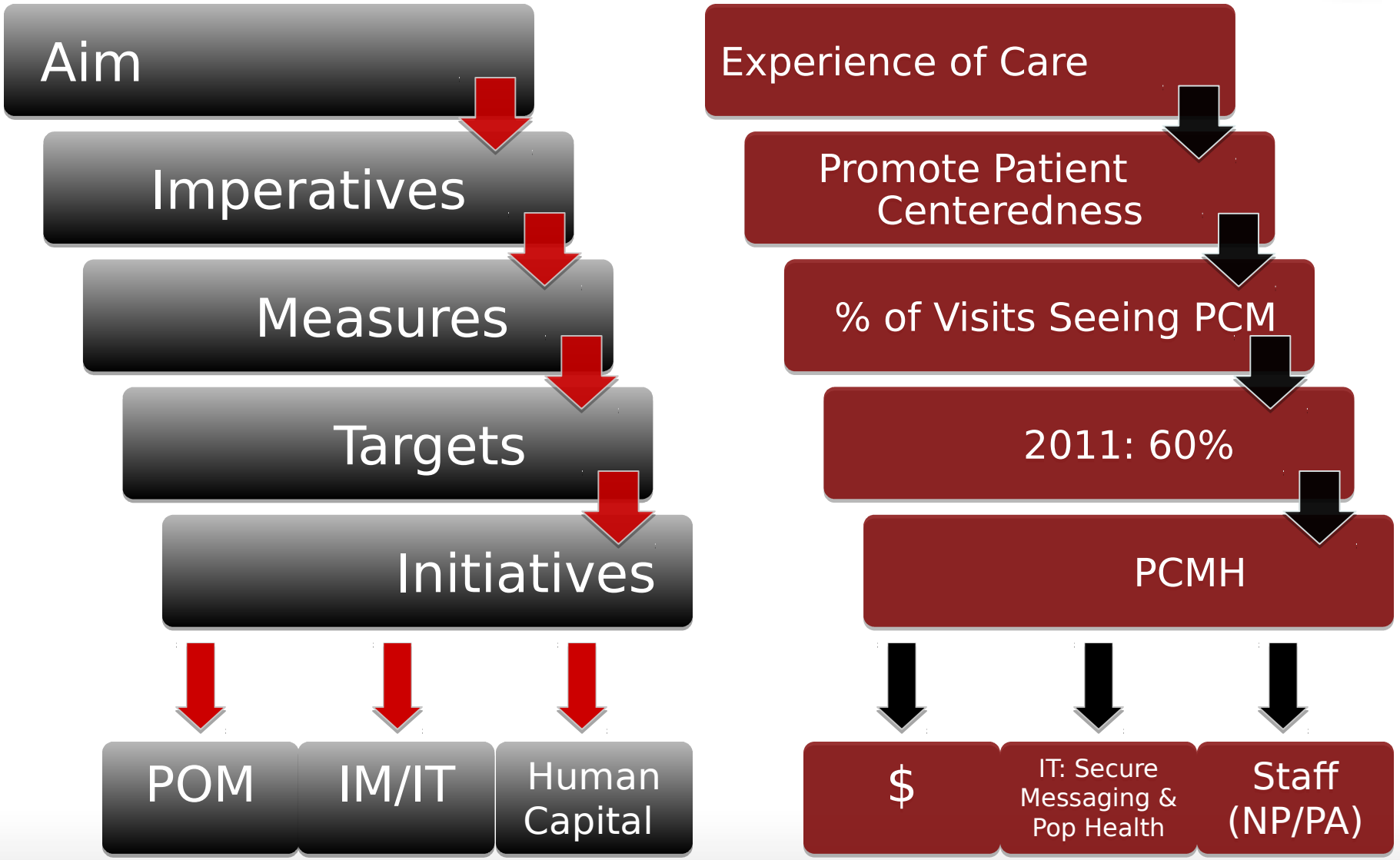
	Strategic Imperative	Exec Sponso	Performance Measure	Development Status	Last Quarter	Current Performance	Change	FY2010 Target	FY2011 Target	FY2012 Target	FY2014 Target	Strategic Initiatives
Readiness	Individual and Family Medical Readiness	FHPC	Individual Medical Readiness		71%	74%	+3%	80%	81%	82%	85%	IMR programs (e.g., addressing dental class 4, overdue PHAs, etc.)
		TBD	Measure of Family Readiness (i.e., PHA for families)		-	-	-	-	-	-	-	
	Psychological Health & Resiliency	FHPC	PTSD Screening, Referral and Engagement (R/T)		44%/69%	48%/72%	+4/+3%	40%/65%	50%/75%	50%/75%	50%/75%	Psychological Health
		FHPC	Depression Screening, Referral & Engagement (R/T)		60%/73%	62%/74%	+2/+1%	40%/65%	50%/75%	50%/75%	50%/75%	
		CPSC	MHS Cigarette Use Rate (AD 18-24)				-5%	20%	19%	18%	16%	
		CPSC	Prevalence of Obesity Among Adults / Adolescents & Children					-	24%/8%	21%/7%	15%/5%	Healthy Behaviors/Lifestyle Programs
		CPSC	HEDIS Index – Preventive Screens				-	12	13	13	14	
Experience of Care	Evidence-Based Care	CPSC	HEDIS Index – Adhering to Evidence Based Guidelines		8	8	-	8	8	9	10	Evidence Based Care
		CPSC	Overall Hospital Quality Index (ORYX)		87%	90%	+3%	88%	89%	90%	92%	
		CPSC	Antibiotic Received within 1 Hour Prior to Surgical Incision		88%	92%	+4%	95%	100%	100%	100%	Wounded Warrior Programs
	Wounded Warrior Care	CPSC	MEBs Completed Within 30 Days		30%	52%	+22%	80%	60%	TBD	TBD	Disability Evaluation System Redesign
		CPSC	Favorable MEB Experience Rating		46%	59%	+13%	45%	65%	70%	75%	
		CPSC	Effectiveness of Care for Complex Medical/Social Problems		-	-	-	-	-	-	-	Patient Centered Medical Home
	24/7 Access to Your Medical Home	JHOC	Primary Care 3rd Available Appt. (Routine/Acute)		-	69%/51%	-	90%/75%	91/68%	92%/70%	94%/75%	
		JHOC	Getting Timely Care Rate		74%	77%	+3%	78%	78%	80%	82%	
		JHOC	Potential Recapturable Primary Care Workload for MTF Enrollees			29%	-	29%	26%	24%	22%	

This kind of value..

Within this timefram e...

Concept Only | Measure Algorithm Developed | Current Performance Known and PHO Target Approved | Out-Year Targets Approved | *Denotes change in measure algorithm | Design Phase | Approved | Funded

Connecting Strategy to Programs



AF Patient Centered Medical Home: Performance

Air Force Medical Home Performance Index

Continuity:
Team Continuity from Patient's Perspective
Goal > 90%

Patient Satisfaction:

SDA questions
Goal >95%

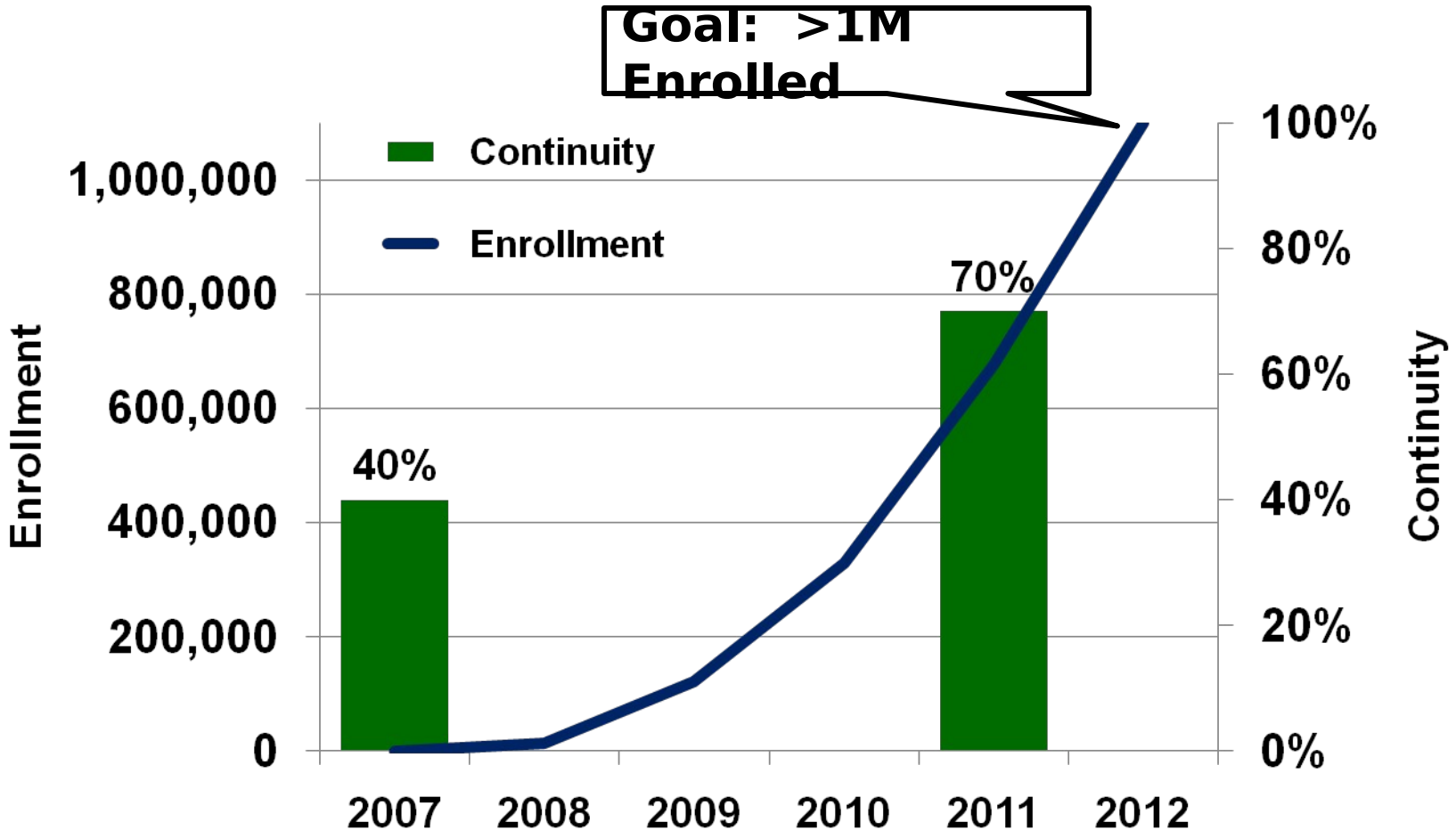
ED/Urgent Care Rate
Visits per 100

Goal < 3/100

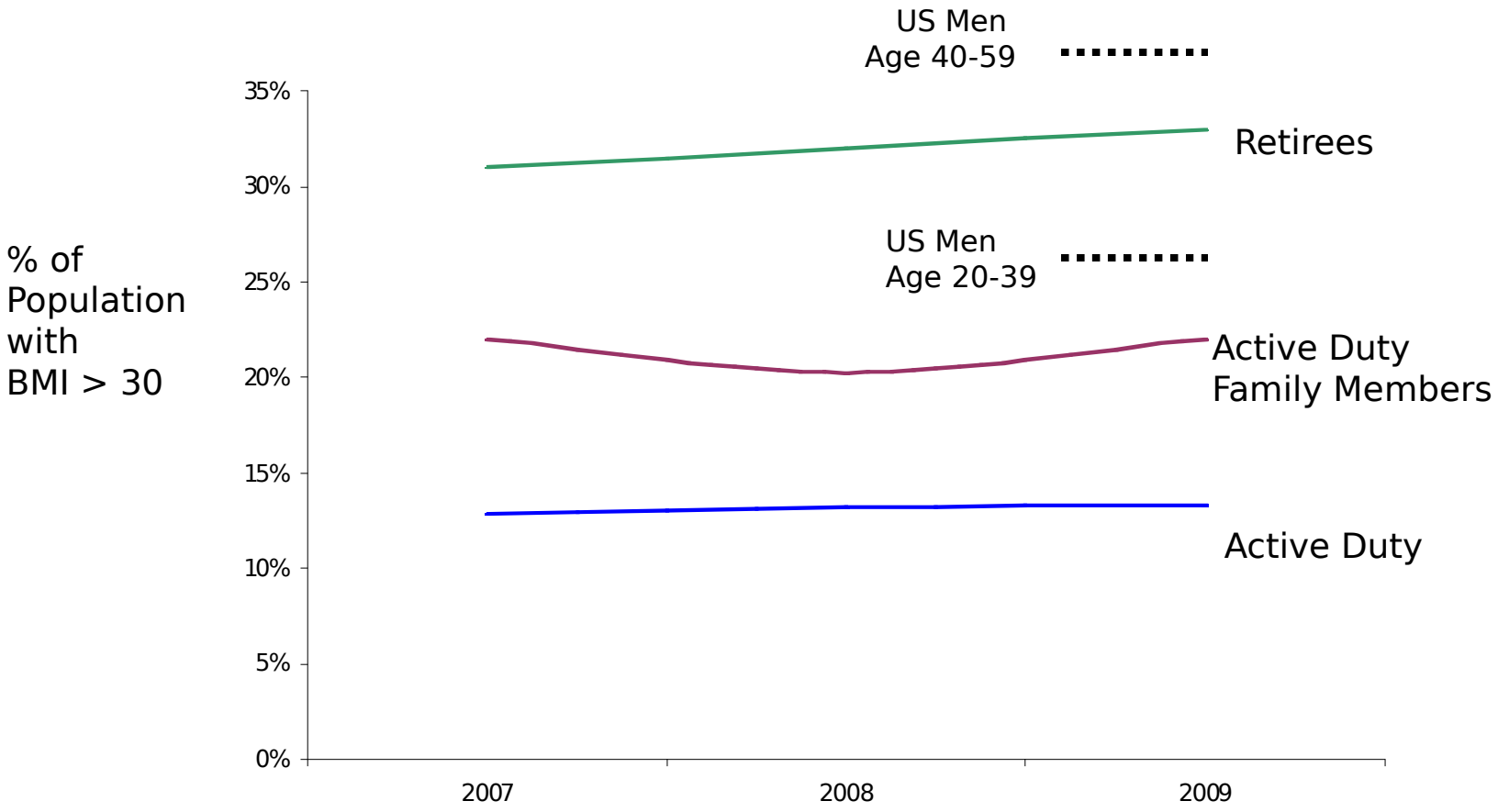
Healthcare Effectiveness Data and Information Set

Driving Change Through Informatics-Driven Incentives

AF Patient Centered Medical Home: Continuity

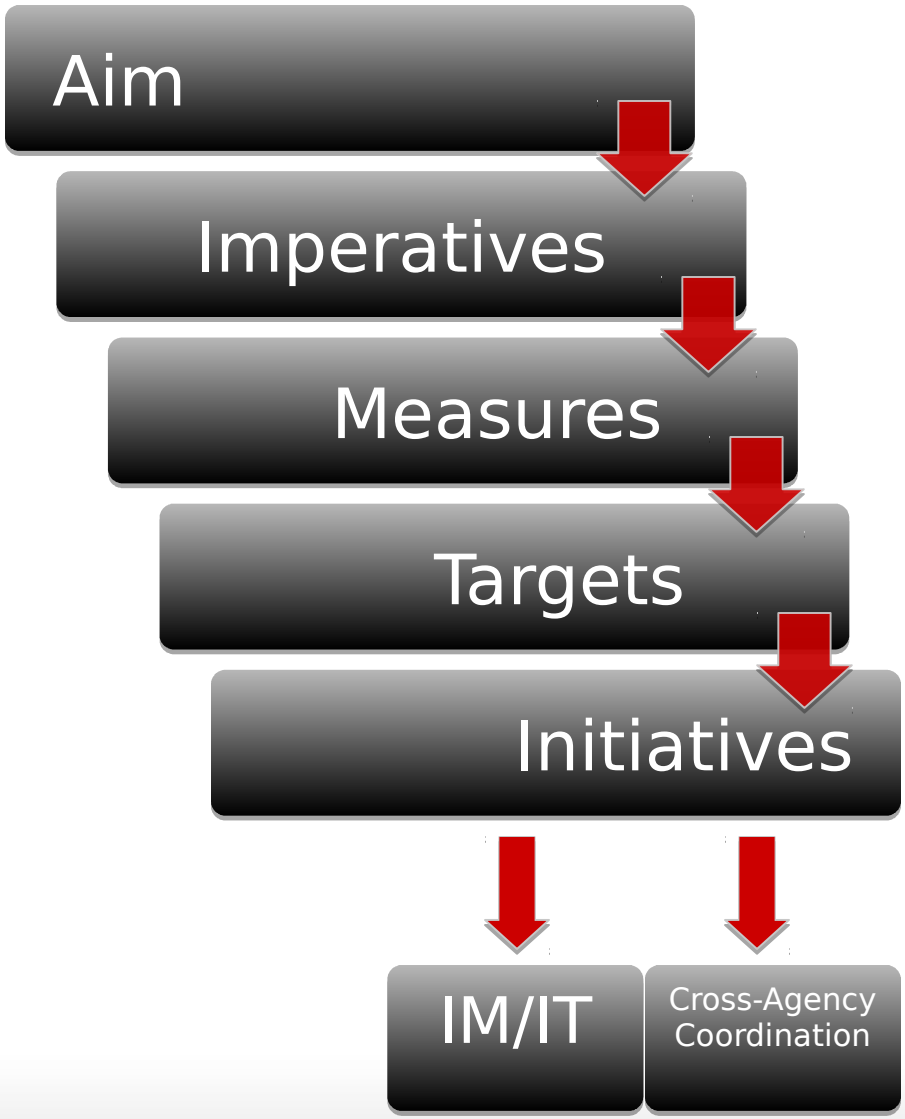


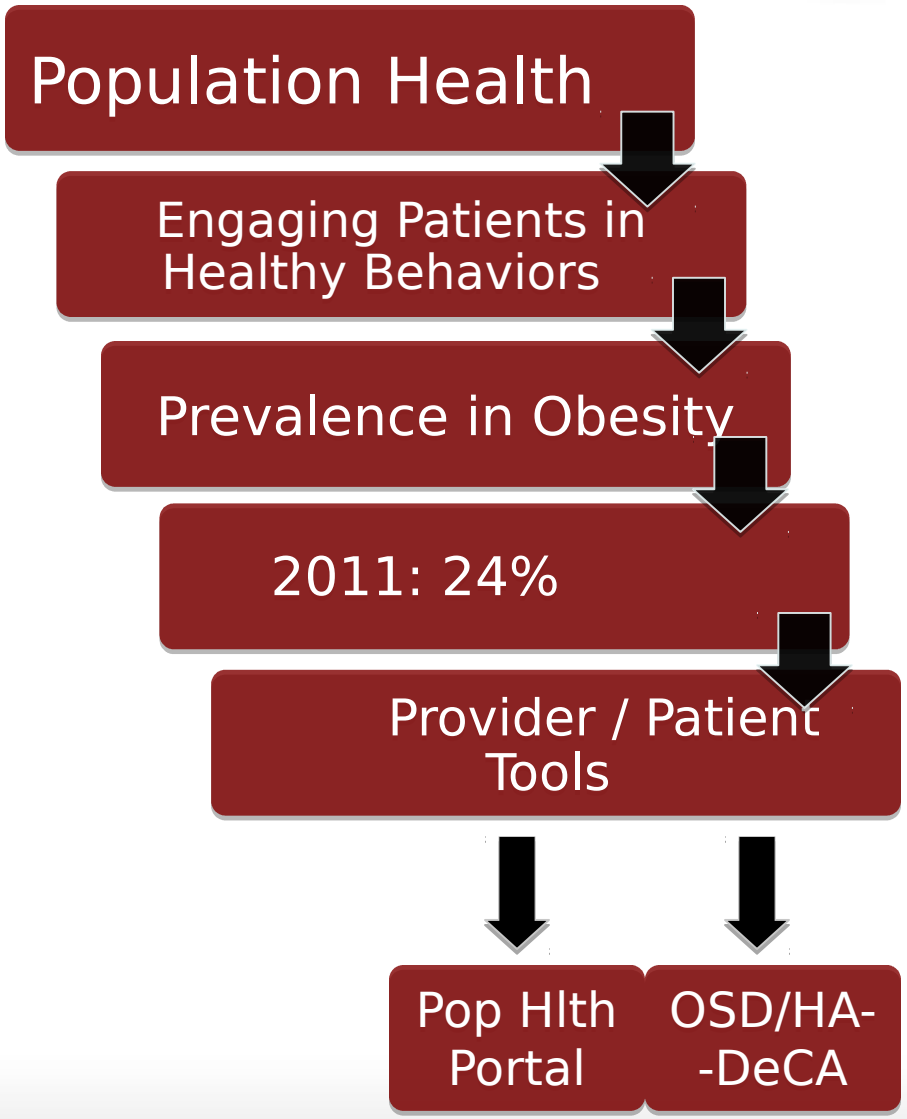
Changing Patient Behavior With the Quadruple Aim



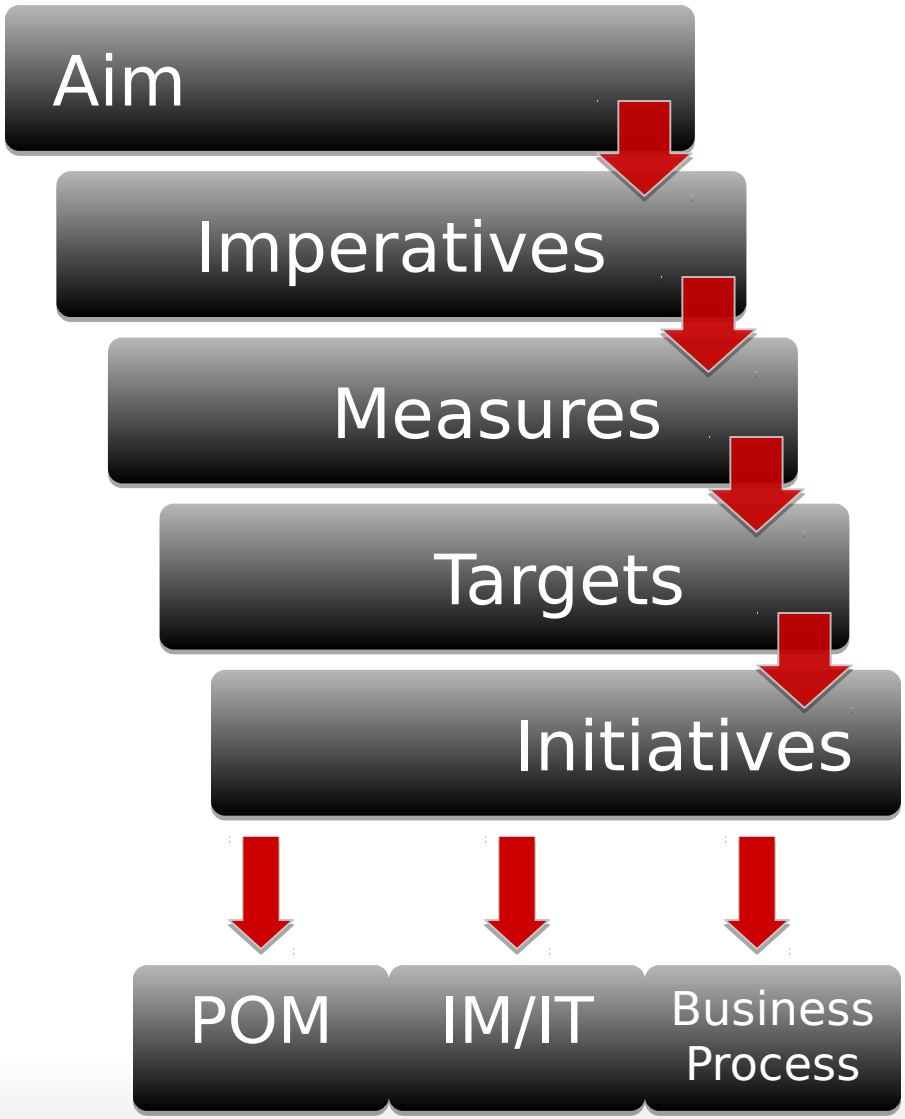
- Active duty are doing well (as would be expected)
- But everyone else is moving in wrong direction (like the rest of the country), but still lower than US population

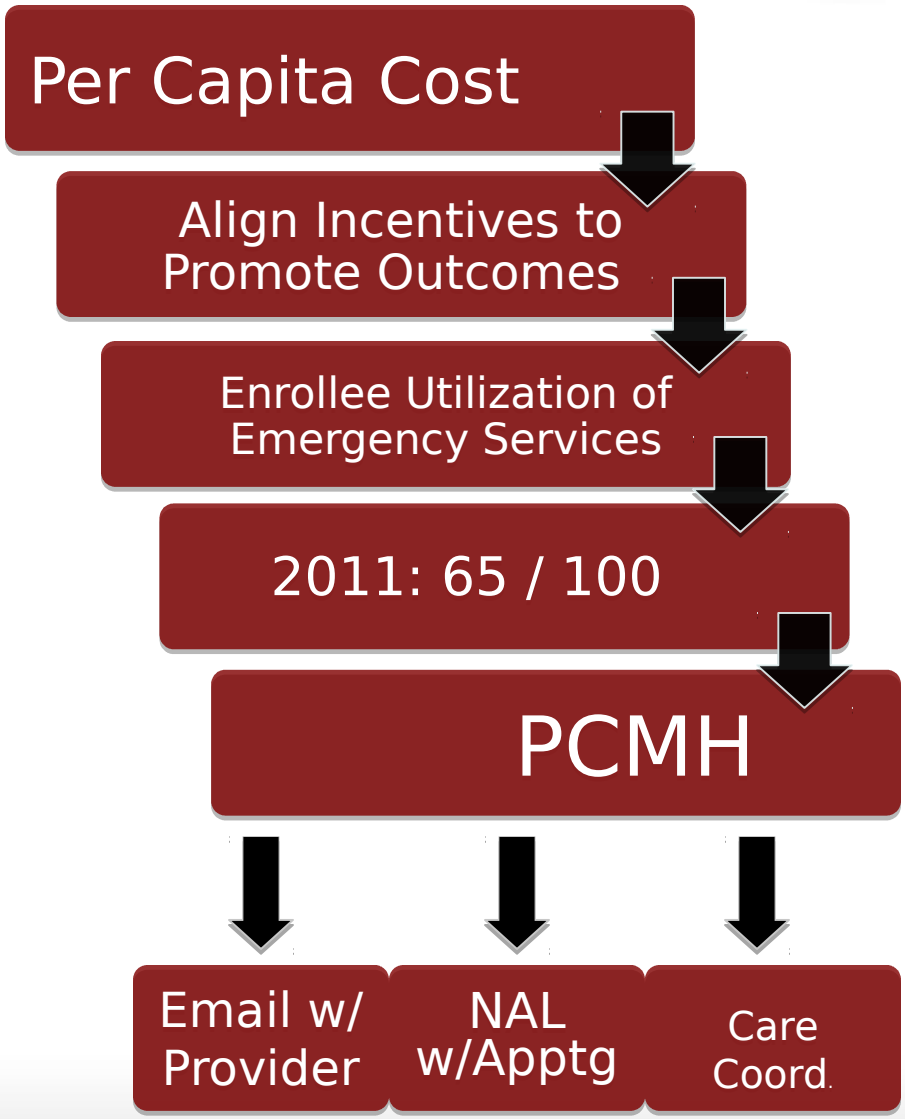
Connecting Strategy to Programs



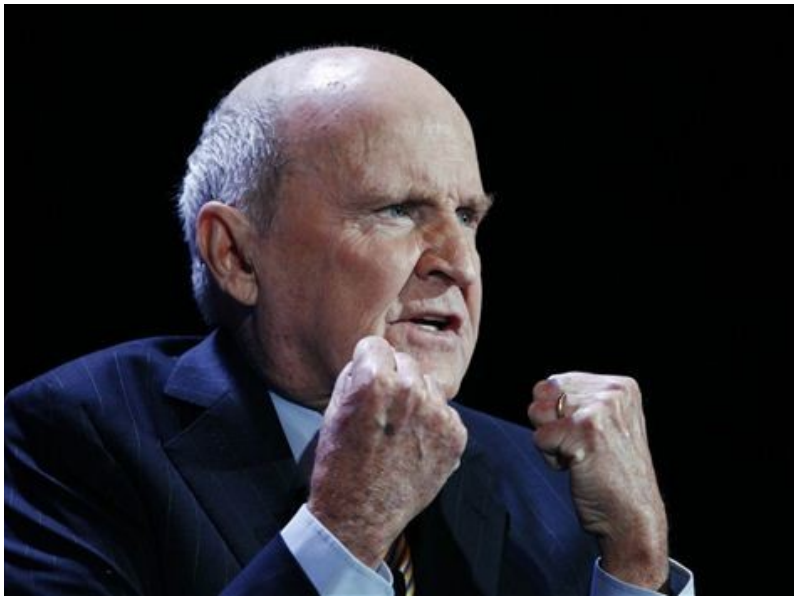


Connecting Strategy to Programs





Policy, Resourcing & Execution



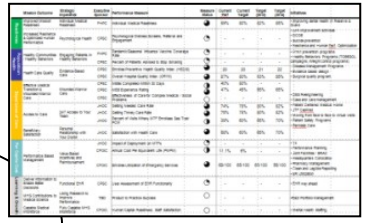
"My job is to put the best people on the biggest opportunity and the best allocation of dollars in the right places. That's about it" – Jack Welch

- Our "Opportunities"
  - Focus on our Strategic Aims
  - Disciplined Execution
  - Creating Value

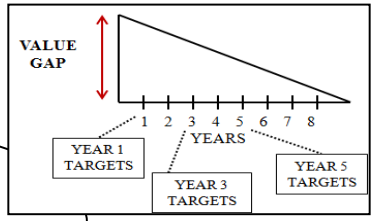
Big Picture – "From Strategy to Action"

Quadruple Aim

Strategic Imperatives



Performance Gap



Strategic Initiatives

Strategic Initiative Portfolio
- PCMH
- Performance Planning
- Centers of Excellence
- Psychological Health
- IMR Programs
- …

Local Initiatives

Warm Up

First… What is strategy?

- Strategy as ***Value Creation***
  - "An organization's strategy describes how it intends to create value for its shareholders, customers, and citizens." (Kaplan and Norton)
- Strategy as a ***Plan***
  - Strategy is a plan of action designed to achieve a particular goal.

Second… What is value in health care?

- Cleveland Clinic
  - Value = Outcomes / Cost
- Mayo Clinic
  - Value = Quality / Cost
  - Value = Quality (Outcomes, Safety, Service) / Cost (Over a Span of Time)
- Porter
  - “In health care, value is defined as patient health outcomes achieved relative to the costs of care. It is value for the patient that is the central goal, not for other actors.”

What is the MHS Value Equation?

$$\text{Value} = \frac{\text{Readiness} + \text{Experience of Care} + \text{Population Health}}{\text{Per Capita Cost}}$$

The Quadruple Aim expressed as a value equation

What Value By When?

Strategic Imperative	Exec Sponsor	Performance Measure	Development Status	Last Quarter	Current Performance	Change	FY2010 Target	FY2011 Target	FY2012 Target	FY2014 Target	Strategic Initiatives
Readiness											
Individual and Family Medical Readiness	FHPC	Individual Medical Readiness		71%	74%	+3%	80%	81%	82%	85%	IMR programs (e.g., addressing dental class 4, overdue PHAs, etc.)
	TBD	Measure of Family Readiness (i.e., PHA for families)		-	-	-	-	-	-	-	
Psychological Health & Resiliency	FHPC	PTSD Screening, Referral and Engagement (R/T)		44%/69%	48%/72%	+4/+3%	40%/65%	50%/75%	50%/75%	50%/75%	Psychological Health
	FHPC	Depression Screening, Referral & Engagement (R/T)		60%/73%	62%/74%	+2/+1%	40%/65%	50%/75%	50%/75%	50%/75%	
	CPSC	MHS Cigarette Use Rate (AD 18-24)		22%	27%	-5%	20%	19%	18%	16%	Healthy Behaviors/Lifestyle Programs
		Prevalence of Obesity Among Adults / Adolescents & Children		-	26%/9%	-	-	24%/8%	21%/7%	15%/5%	
	CPSC	HEDIS Index – Preventive Screens		12	12	-	12	13	13	14	
Evidence-Based Care	CPSC	HEDIS Index – Adhering to Evidence Based Guidelines				-	8	8	9	10	Evidence Based Care
	CPSC	Overall Hospital Quality Index (ORYX)				%	88%	89%	90%	92%	Wounded Warrior Programs
	CPSC	Antibiotic Received within 1 Hour Prior to Surgical Incision		88%	92%	+4%	95%	100%	100%	100%	
Experience of Care											
Wounded Warrior Care	CPSC	MEBs Completed Within 30 Days		30%	52%	+22%	80%	60%	TBD	TBD	Disability Evaluation System Redesign
	CPSC	Favorable MEB Experience Rating		46%	59%	+13%	45%	65%	70%	75%	
	CPSC	Effectiveness of Care for Complex Medical/Social Problems		-	-	-	-	-	-	-	Patient Centered Medical Home
24/7 Access to Your Medical Home	JHOC	Primary Care 3rd Available Appt. (Routine/Acute)		-	69%/51%	-	90%/75%	91/68%	92%/70%	94%/75%	
	JHOC	Getting Timely Care Rate		74%	77%	+3%	78%	78%	80%	82%	
	JHOC	Potential Recapturable Primary Care Workload for MTF Enrollees		-	29%	-	29%	26%	24%	22%	
Personal	JHOC	% of Visits Where MTF Provides Same Day PCM		45%	44%	-1%	60%	60%	65%	70%	

This kind of value..

Within this timeframe...

Concept Only | Measure Algorithm Developed | Current Performance Known and FY10 Target Approved | Out-Year Targets Approved | *Denotes change in measure algorithm | Design Phase | Approved | Funded

Conclusions

1. Strategy is about value creation
2. Value in health care is outcomes over costs
3. The value that MHS creates for its stakeholders is expressed by the Quadruple Aim
4. MHS has promised its stakeholders a specific kind of value within a specific timeframe
5. Therefore, MHS strategic initiatives are the most important things we will do to create a higher value Military Health System

Exercise:

You are asking MHS investors to fund a portfolio of strategic initiatives. Your job is to explain <u>exactly</u> how our strategic initiatives create value for the Military Health System.

MHS Strategic Initiatives for 2011-2015

During the past year we have expressed to an important audience (SMMAC, USD(P&R, Comptroller, OMB) that the following initiatives are strategic. For each initiative, complete this sentence:

"This initiative will create value for MHS stakeholders by…"

- Readiness
  - Individual Medical Readiness
  - Psychological Health
- Population Health
  - Healthy Behaviors and Lifestyles
- Experience of Care
  - Patient-Centered Medical Home
  - Care Coordination
  - Centers of Excellence
- Per Capita Cost
  - Performance Planning Pilots
  - Pharmacy Home Delivery
  - Fraud Reduction
- Learning and Growth
  - BRAC/Facility Transformation
  - EHR Way Ahead
  - TRICARE Fourth Generation Planning (T4)

Readiness

Individual Medical Readiness "A Fit and Ready Force"

This initiative will create value for MHS stakeholders by…

- Reducing the number of delinquent dental exams (Dental Class 4) and non-deployable dental conditions (Dental Class 3)
  - Implementing policy changes and improvements in dental access
- Reducing the number of delinquent PHAs
  - 16% of total force has an indeterminate IMR health status
- Reducing the number of deployment-limiting medical conditions
  - 13% (234,000) of total force is not deployable due to a medical condition
- Improving the definition and measurement of IMR so that it is a truer measure of the medical readiness (deployability) of the Total Force

Psychological Health
"A Coordinated Continuum of Care"

This initiative will create value for MHS stakeholders by…

- Improving the return on investment from MHS psychological health programs
  - Since 2005, the annual cost of behavioral health care for the force and their families has increased from $500 million to over $1 billion
- Defining a comprehensive framework (outcomes + measures) to assess the effectiveness of psychological health investments
  - Prevention and identification, diagnosis and treatment planning, and treatment and rehabilitation
- Building a culture of support for psychological health
  - Dispelling stigma
  - Make psychological assessment an effective, efficient, and normal part of military life
  - Providing greater access to mental health professionals across a variety of care venues (down-range, embedded in medical homes, schools)

Population Health

Healthy Behaviors and Lifestyles "Healthy Military Families 2020"

This initiative will create value for MHS stakeholders by…

- Helping beneficiaries make better choices about their diet and exercise
  - 30% of MHS beneficiaries are obese and 40% are overweight
  - According to Health Affairs, obese persons have medical costs that are $1,429 higher than persons of normal weight (2006)
- Reducing the use of tobacco
  - 29% of the Active Duty beneficiaries use tobacco, more than 2.5 times higher than non Active Duty beneficiaries in the same age bracket
- Increasing patient activation and health literacy through provider communication, patient education, and other support mechanisms (e.g., patients like me)
  - Higher PAM scores are correlated with better health
- Creating healthier environments and greater access to healthier choices by developing partnerships
  - Military bases, commissaries, communities

Experience of Care

Patient-Centered Medical Home "Personal Care Coordination Team"

This initiative will create value for MHS stakeholders by…

- Serving as a central coordination point for all patient care
  - Medical home teams coordinate care for patients who see multiple physicians across different care settings
- Providing better management of chronic diseases
  - Disease managers are tightly integrated with medical home teams
- Focusing on prevention that leads to better individual and population health therefore reducing burden on the system
  - With teams no longer focused on visits and RVUs, they have time to tend to the health of the population
- Enhancing access that leads to greater convenience, higher acuity of face-to-face visits, and reduction of avoidable ER use
  - Secure messaging and nurse advice line
  - Same-day-access for acute appointments

Care Coordination "The MHS' Defensive Coordinator"

This initiative will create value for MHS stakeholders by…

- Identifying beneficiaries receiving uncoordinated care
  - In a five state Medicare/Medicaid study, 10% of patients accounted for 46% of drug costs, 32% of medical costs, 36% of the total cost
- Providing reports on uncoordinated to medical home teams and case managers
- Designing and testing innovative payment methods that incentivize better coordinated care
  - Inpatient episode payment, hospital-physician bundling, shared savings, global payments (capitation)
- Reducing avoidable hospital readmissions
  - Both direct care and purchased care
- Improving safety through team based care
  - Eliminate hospital acquired infections

Centers of Excellence "Pathways to Better Health"

This initiative will create value for MHS stakeholders by…

- Creating multidisciplinary teams that are focused on developing and improving care pathways for specific diseases and conditions
  - Longitudinal care pathways describe a patient's journey to better health, and the interventions and types of care they receive on the journey that result in the best patient outcomes
- Focusing resources on diseases and conditions that are most important to the MHS
  - PTSD, TBI, hearing, vision, amputee care, battlefield medicine
- Identifying gaps within care pathways and investing resources to close those gaps
  - Basic/translational research, comparative effectiveness studies, education
- Disseminating care pathways to providers
  - Shortening the "distance" between COEs and providers to improve and refine care pathways
- Embedding care pathways in the EHR

Per Capita Cost

Performance Planning Pilots "Pay for Value"

This initiative will create value for MHS stakeholders by…

- Creating financial incentives that align local (MTF) priorities with enterprise priorities
  - HEDIS, ORYX, 3rd Available Appt, PCM Continuity, Beneficiary Satisfaction with Healthcare, ER Utilization, Overall Management of PMPM
- Improving coordination and integration between direct care and purchased care, through similar incentives and synchronized planning
- Providing MTF and Team-level performance reports so they can develop their own improvement plans
- Testing the responsiveness of our system to different payment and reimbursement methods
  - Pay-for-performance, capitation for primary care, shared savings (PMPM adjustment)

Pharmacy Home Delivery "Convenience at a Lower Cost"

This initiative will create value for MHS stakeholders by…

- Transitioning beneficiaries from Retail to Home delivery of medications to help manage costs, while positively influencing outcomes
  - Home delivery represents significant savings to DoD compared to retail. The average retail cost for 90 days of a brand medication is $294 at retail but only $169 through home delivery, 43% less
  - Home delivery reduces patient co-pay costs by 66% on a 90-day supply of drugs
- Leveraging auto shipment of home delivery refills to improve adherence
  - Patients are contacted prior to shipment and have the option of cancelling the order
- Enhancing patient safety by integrating home delivery prescriptions into the Pharmacy Data Transaction Service (PDTS)

Fraud Reduction "Enhancing Operational Integrity"

This initiative will create value for MHS stakeholders by…

- Identifying fraud, waste, abuse and overpayments to providers with no impact to beneficiaries
- Hiring more Recovery Audit Contractors (RAC), independent third party vendors to find and recover overpayments to institutions
- Hiring additional MHS / TRICARE Program Integrity (PI) staff to increase prevention
- Utilizing an independent, third-party vendor to focus on the detection, prevention, and recovery of pharmacy fraud, waste, and abuse
- Increasing Defense Criminal Investigative Service (DCIS) funding specific for health care fraud investigations

Learning and Growth

BRAC/Facility Transformation "Aligning Our Facilities with the Mission"

This initiative will create value for MHS stakeholders by…

- Realigning the physical footprints and capabilities of the military health facilities with our mission
  - Creating the Walter Reed National Military Medical Center as the centerpiece of military healthcare, clinical practice, education and research
  - Expanding Belvoir's DeWitt Army Community Hospital with an additional 165-bed community hospital
  - Creating the San Antonio Military Medical Center (SAMMC)
  - Creating the Medical Education and Training Campus (METC) at San Antonio
- Building a robust platform to take care of wounded warriors
- Implementing evidence-based facility changes to create healing environments

EHR Way Ahead
"Information: A Most Precious Healthcare Resource"

This initiative will create value for MHS stakeholders by…

- Providing longitudinal patient information at the point of care across all care venues
- Enabling us to exchange information with our health partners
  - Ensure our patients receive best care across different care settings (VA, private sector providers)
- Supporting many of our other strategic initiatives
  - **COEs:** Care pathways are embedded in the EHR, not only providing alerts and reminders, but also collecting data on processes, health outcomes, satisfaction, and cost information
  - **T4:** The EHR will provide and retrieve essential health information about our patients
  - **PCMH:** The EHR will offer secure messaging to patients for greater convenience and access; provide an integrated personal health record (PHR) that allows patients to proactively manage their health; and give providers access to data that will help them manage the health of their panel

TRICARE Fourth Generation (T4)
"Becoming an Accountable Care Organization"

This initiative will create value for MHS stakeholders by…

- Redesigning the way MHS purchases care to create a truly integrated health delivery system
- Creating shared incentives so that Direct Care and Purchased Care providers are accountable for the total health and cost of a defined population
  - Changing reimbursement from pay-for-volume to pay-for-value
- Reducing administrative costs associated with the management of purchased care
- Building partnerships that result in increased currency of medical providers and robust GME programs

Do you see where you fit in?

Do you see how you can contribute to improving our performance?

It is only by working together that we will achieve success!